

13234

RECORDATION NO. 1425 Filed 1425

CRAVATH, SWAINE & MOORE

SEP 4 1981-11 10 AM

ONE CHASE MANHATTAN PLAZA

13234/B NEW YORK, N. Y. 10005

INTERSTATE COMMERCE COMMISSION

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SEP 4 1981-11 10 AM
INTERSTATE COMMERCE COMMISSION

212 HANOVER 2-3000

TELEX

RCA 233663
WUD 125547
WUI 620976

CABLE ADDRESSES

CRAVATH, N. Y.
CRAVATH, PARIS
CRAVATH, LONDON E. C. 2

RECORDATION NO. 1425 Filed 1425

SEP 4 1981-11 10 AM

INTERSTATE COMMERCE COMMISSION

SEP 4 1981
Date.....
Fee \$100.00

ICC Washington, D. C.

ROSWELL L. GILPATRICK
ALBERT R. CONNELLY
L. R. BRESLIN, JR.
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FRANK H. DETWEILER
GEORGE O. TYLER
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SEP 4 1981-11 10 AM
INTERSTATE COMMERCE COMMISSION

August 25, 1981

Canadian National Railway Company
Lease Financing Dated as of July 1, 1981
15.50% Conditional Sale Indebtedness Due January 1, 1997

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Canadian National Railway Company for filing counterparts of the following documents:

(1) (a) Conditional Sale Agreement dated as of July 1, 1981, between Marine Industrie Limitee and Exchange National Bank of Chicago, as Trustee; and

(b) Agreement and Assignment dated as of July 1, 1981, between Marine Industrie Limitee and La Salle National Bank, as Agent.

(2) (a) Lease of Railroad Equipment dated as of July 1, 1981, between Canadian National Railway and Exchange National Bank of Chicago, as Trustee; and

(b) Assignment of Lease and Agreement dated as of July 1, 1981, between Exchange National Bank of Chicago, as Trustee and La Salle National Bank, as Agent.

RECEIVED
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F.C.C.
OPERATION BR.

Handwritten signature: C. Mergenovich

The names and addresses of the parties to the
aforementioned Agreements are as follows:

(1) Vendor-Assignee-Agent:

La Salle National Bank,
135 South La Salle Street,
Chicago, Illinois 60690.

(2) Trustee-Owner Trustee:

Exchange National Bank of Chicago,
130 South La Salle Street,
Chicago, Illinois 60690.

(3) Builder-Vendor:

Marine Industrie Limitee,
Sorel (Tracy),
Quebec, Canada J3P 5P5.

(4) Lessee:

Canadian National Railway Company,
935 LaGauchetiere Street West,
Montreal, Quebec H3C 3N4,
Canada.

Please file and record the documents referred to
in this letter and index them under the names of the Vendor-
Assignee-Agent, the Trustee-Owner Trustee, the Builder-Vendor
and the Lessee.

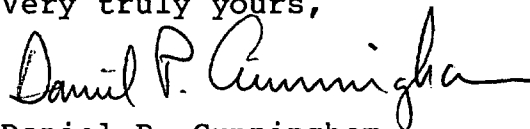
The equipment covered by the aforementioned docu-
ments is listed in Schedule A hereto:

There is also enclosed a check for \$100 payable to
the Interstate Commerce Commission, representing the fee for
recording the Conditional Sale Agreement and related Agree-
ment and Assignment (together constituting one document), and
the Lease of Railroad Equipment and related Assignment of
Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed docu-
ments with your official recording stamp. You will wish to

retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,

A handwritten signature in cursive script, reading "Daniel P. Cunningham". The signature is written in dark ink and is positioned above the typed name.

Daniel P. Cunningham
As Agent for
Canadian National Railway
Company

Agatha L. Mergenovich, Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

Type

Quantity

Lessee's
Road Numbers

CN 382431	CN 382534
CN 382432	CN 382535
CN 382433	CN 382536
CN 382434	CN 382537
CN 382435	CN 382538
CN 382437	CN 382539
CN 382438	CN 382540
CN 382439	CN 382542
CN 382440	CN 382543
CN 382441	CN 382545
CN 382444	CN 382546
CN 382445	CN 382547
CN 382446	CN 382548
CN 382447	CN 382549
CN 382448	CN 382550
CN 382453	CN 382551
CN 382469	CN 382552
CN 382494	CN 382553
CN 382495	CN 382556
CN 382496	CN 382558
CN 382501	CN 382559
CN 382502	CN 382560
CN 382503	CN 382563
CN 382504	CN 382564
CN 382505	CN 382565
CN 382506	CN 382566
CN 382514	CN 382581
CN 382515	CN 382582
CN 382516	CN 382585
CN 382519	CN 382586
CN 382520	CN 382611
CN 382524	CN 382612
CN 382525	CN 382618
CN 382526	CN 382622
CN 382531	CN 382623
CN 382532	CN 382625
CN 382533	CN 382626

SCHEDULE A

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Road Numbers</u>
Marine Industrie--		
One-hundred Ton Rotary Gondola Cars	300	CN 199600 through CN 199899 inclusive
Marine Industrie--		
One-hundred Ton Steel Covered Hopper Cars	130	CN 382169 CN 382400 CN 382362 CN 382401 CN 382363 CN 382402 CN 382364 CN 382403 CN 382365 CN 382404 CN 382366 CN 382405 CN 382367 CN 382406 CN 382368 CN 382407 CN 382373 CN 382408 CN 382374 CN 382409 CN 382375 CN 382410 CN 382376 CN 382411 CN 382377 CN 382412 CN 382379 CN 382413 CN 382380 CN 382414 CN 382381 CN 382415 CN 382382 CN 382416 CN 382383 CN 382417 CN 382384 CN 382418 CN 382386 CN 382419 CN 382387 CN 382420 CN 382389 CN 382421 CN 382390 CN 382422 CN 382391 CN 382423 CN 382392 CN 382424 CN 382394 CN 382427 CN 382395 CN 382429 CN 382399 CN 382430

RECORDATION NO. 13234 Filed 1981

SEP 4 1981-11 10 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of July 1, 1981

between

EXCHANGE NATIONAL BANK OF CHICAGO, not in its
individual capacity, but solely as Trustee

and

LA SALLE NATIONAL BANK,
as Agent

ASSIGNMENT OF LEASE AND AGREEMENT dated as of July 1, 1981 ("Assignment"), by and between EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, not individually but solely in its capacity as Owner Trustee (the "Lessor" or the "Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with AMERICAN HOME ASSURANCE COMPANY and COMMERCE & INDUSTRY INSURANCE COMPANY (the "Beneficiaries"), and LA SALLE NATIONAL BANK, as Agent ("Vendor") under a Participation Agreement dated as of the date hereof.

The Vendee is entering into a conditional sale agreement dated as of the date hereof (the "CSA") with Marine Industrie Limitee (the "Builder"), wherein the Builder has agreed to manufacture, sell and deliver to the Vendee, units of railroad equipment described in Annex B thereto, such units being herein sometimes called "Units".

The Lessor and CANADIAN NATIONAL RAILWAY COMPANY ("Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease"), providing for the leasing by the Lessor to the Lessee of the Units.

In order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as that term is defined in the CSA), the Lessor agrees to assign to the Vendor, for security purposes, certain of the Lessor's rights in, to and under the Lease.

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the CSA, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to

the provisions of the Lease whether as rent, casualty payment, liquidated damages, or otherwise (such moneys being hereinafter called "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease; provided, however, that the term Payments as used herein shall not be deemed to include payments made by the Lessee to the Lessor pursuant to §§ 6 and 9 of the Lease (except indemnification payments in respect of Canadian withholding taxes pursuant to the terms of the fourth paragraph of § 6 of the Lease and indemnification payments intended to satisfy the obligations of the Lessor to indemnify the Vendor pursuant to Articles 6 and 13 of the CSA). In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the CSA, and, so long as no event of default shall have occurred and be continuing under the CSA, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor, by check mailed to the Lessor on such date or, upon written request of the Lessor, by bank wire to the Lessor at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only

against, the Lessor or persons other than the Vendor. The Lessor shall appear in and defend every action in connection with its obligations or duties under the Lease at its sole cost.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by the Lessor. Without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease, and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive and compound any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will pay and discharge any and all taxes, claims, liens, charges or security interests (other than created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor, or its successors and assigns (other than the Vendor), not arising out of the transactions contemplated by the CSA or the Lease (but including tax liens arising out of the receipt of the rentals and other payments under the Lease and any other proceeds

from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will from time to time do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, redeposit and rerecord where required) any and all further instruments required by law as reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of Illinois, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing, recording or deposit hereof, if any, as shall be conferred by the laws of the several jurisdictions in which this Assignment shall be filed, recorded or deposited, or in which any of the Units shall be located, and any rights arising out of the marking of the Units.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Article 20 of the CSA, or at such other address as the Vendor shall designate.

11. The Vendor hereby agrees with the Lessor that (i) so long as no event of default, or any event which with lapse of time or notice or both would constitute such an event of default, under the CSA has occurred and is then continuing, the Vendor will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits

assigned and transferred by the Lessor to the Vendor by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and (ii) subject to the terms of the Lease and the CSA, the Lessor may, so long as no event of default or event which with notice or lapse of time or both would constitute such an event of default under the CSA has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges, and remedies arising out of subparagraph (A) of the first paragraph of § 10 of the Lease; provided, however, that the Lessor shall not, without the prior written consent of the Vendor, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (B) of said § 10.

Each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, warranties, covenants, undertakings and agreements by Exchange National Bank of Chicago or for the purpose or with the intention of binding said Bank personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Assignment is executed and delivered by said Bank solely in the exercise of its powers expressly conferred upon it as trustee under the Trust Agreement, and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said Bank, except for wilful misconduct or gross negligence on the part of such Bank, or against the Beneficiaries under the Trust Agreement, on account of any representation, warranty, covenant, undertaking or agreement herein of the Lessor or the Beneficiaries, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

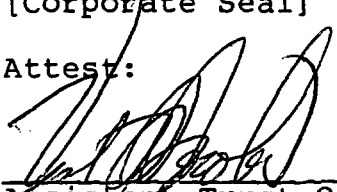
12. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or

dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

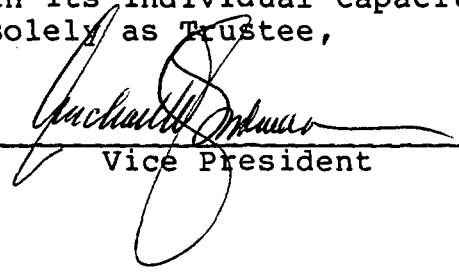
[Corporate Seal]

Attest:


Assistant Trust Officer


EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity,
but solely as Trustee,

by


Vice President

[Corporate Seal]

Attest:


Trust Officer and
Assistant Secretary

LA SALLE NATIONAL BANK, as Agent,

by


VICE PRESIDENT

STATE OF ILLINOIS,)

SS.:

COUNTY OF COOK,)

On this 25th day of August 1981, before me

personally appeared H. K. WEBER, to me personally known, who, being by me duly sworn, says that he is a

VICE PRESIDENT of LA SALLE NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said national association, that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

Loretta Harris

Notary Public

My Commission expires

My Commission Expires July 12, 1984

STATE OF ILLINOIS,)

1) SS.:

COUNTY OF COOK,)

On this 25 day of AUGUST 1981, before me personally appeared MICHAEL D. GOODMAN, to me personally

known, who, being by me duly sworn, says that he is a Vice President of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said national association, that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

Frene M. Stone
Notary Public

Notary Public

My Commission expires

My Commission Expires: December 14, 1983.

CONSENT AND AGREEMENT

The undersigned, CANADIAN NATIONAL RAILWAY COMPANY (the "Lessee"), the Lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in the Lease Assignment) directly to La Salle National Bank, as Agent (the "Vendor"), the assignee named in the Lease Assignment, at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of Illinois and, for all purposes, shall be construed in accordance with the laws of said State.

CANADIAN NATIONAL RAILWAY COMPANY,

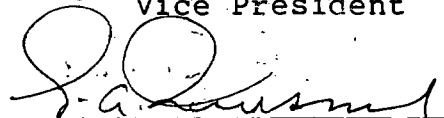
Approved
as to Form


Attorney

by


Vice President

by


Assistant Secretary

The foregoing Consent and Agreement is hereby
accepted as of the 1st day of July 1981.

LA SALLE NATIONAL BANK, as
Agent,

by

A handwritten signature in dark ink, appearing to be 'R. J. [unclear]', written over a horizontal line.

Vice President